

ADDENDUM #1
TO SPECIFICATION NO. 03-166
FOR REQUEST FOR PROPOSALS FOR AUDIT SERVICES

Addendum No. 1 for Request for Proposals, Spec. 03-166 for City Auditing Services and Water and Wastewater Auditing Services, proposals to be opened on Wednesday, June 25, 2003 at 12:00 noon.

Does the City anticipate a large increase or decrease in expenditures for current or new federal programs?

Possible street and transportation projects, i.e., south and east beltways, Antelope Valley.

Does the City have any technical interpretations (Section 5.5 of RFP) they are currently concerned about for fiscal year end 8/31?

Possible transition between auditors and the subsequent review of GASB #34 processes and procedures.

What assistance has the City received in the past to develop notes to the financial statements?

Summary provided of new GASBs and how they impact the City of Lincoln reporting, provide examples of disclosures, and depending on the technical aspects of the required disclosure, worked with us, per our request, to establish procedures/formulas as needed.

Are the books adjusted and available for audit work to be completed for the EMS, and Landfill at the same time as the City, or are they completed in stages and could we complete work on each as they are ready?

Yes, can be prepared earlier to facilitate the timeline.

Proposal indicated that the City prepares all statements and schedules. Does this also include the entire report for the Landfill, EMS, and the Keno Audits?

For Landfill and EMS, we provide the final statements and schedules and the auditor prints the final report. For Keno, both the statements and final report are prepared by the Auditor.

Are there any changes the City would like to make to the financial statements this year after going through GASB 34 over the last year?

Not at this time.

Does the City intend on early adopting GASB 40 for Deposit and Investments Risk Disclosure?

Yes, effective for the year ended 8/31/04.

What weeks are best for the City personnel for us to complete interim work prior to August 31 for the City?

Mid-July to mid August - just check with City personnel to schedule around vacation times. For single audit testing we would need to check with the various department personnel responsible for providing the federal reporting data.

How many auditors have been on-site in past audits and how long have they been on-site for the City?

Two to four through December and possible one to two in early January until completion.

When will the Finance Department have a preliminary draft of a schedule of Federal Financial Assistance prepared and ready for the auditors?

Preliminary expenditures can be identified in August, but the complete schedule would be ready by November 1st.

Has the City had any reportable conditions or material weaknesses in the past three years?

Not related to the financial statements as a whole. There have been some single audit findings.

What was the audit fee for each element of the request for the last three fiscal years?

	<u>2002</u>	<u>2001</u>	<u>2000</u>
City	42,400	\$40,300	\$39,500
	Plus GASB #34	+\$21,250	
Keno	\$3,000	\$3,000	\$3,000
Landfill	\$6,500	\$5,500	\$5,000
EMS	\$8,800	\$8,500	N/A
Title 132 Assurance	\$ 700	\$ 500	N/A

Have there been any special projects for which additional fees have been charged by the accounting firm, over the last three years?

Bond official statements review, Landfill cash handling and internal controls.

Excluding GASB 34 implementation, have there been any audit adjusting entries in the last two fiscal years for the entries listed below?

City
Landfill
EMS

The City has a policy of reporting no audit differences - we have recorded any entries as required.

Addendum No. 1
Page 3
June 18, 2003

Did the current auditors provide a "passed adjustment schedule or summary" for August 31, 2002 year end?

No

Could we have a copy of the proposal accepted four years ago?

A copy of the proposal is available and can be reviewed here in our offices.

Dated this 18th day of June, 2003.

City-County Purchasing Department

Vince M. Mejer, CPPO, C.P.M.
Purchasing Agent